

## Message Text

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PAGE 01 IBADAN 00297 131840Z  
ACTION AF-10

INFO OCT-01 ISO-00 EB-08 HEW-04 /023 W  
-----091069 132329Z /73

R 130934Z MAR 78  
FM AMCONSUL IBADAN  
TO AMEMBASSY LAGOS  
INFO SECSTATE WASHDC 2787  
USDOC WASHDC

LIMITED OFFICIAL USE IBADAN 0297

E.O. 11652: N/A  
TAGS: BTIO EINV NI  
SUBJECT: PROPOSED CONTRACT BETWEEN VITALINK PHARMACEUTICAL  
INDUSTRIES LIMITED, IBADAN AND REVLO

1. IT HAS BEEN LEARNED THAT REPRESENTATIVES OF REVLO HAVE VISITED THREE PHARMACEUTICAL COMPANIES IN NIGERIA, INCLUDING VITALINK IN IBADAN. THE OBJECT OF THE VISITS WAS TO DETERMINE WHICH COMPANY'S FACILITIES, STAFF, AND MANAGEMENT WOULD BEST MEET REVLO'S PROPOSAL TO PRODUCE REVLO PRODUCTS IN NIGERIA. VITALINK WAS SELECTED AND JOHN G. WILLIAMS, MANAGING DIRECTOR, VITALINK, AND ANDREW MC FARLANE, FACTORY MANAGER, LEFT FOR NEW YORK ON SATURDAY, MARCH 11, FOR MEETINGS WITH REVLO MANAGEMENT TO SETTLE CONTRACT TERMS, PRICES PRODUCTION, AND PLANT ALTERATIONS.

2. WE ARE INFORMED THE PROPOSED CONTRACT WILL BE FOR APPROXIMATELY FIVE YEARS AND WOULD COVER BETWEEN 40 0/0 AND 60 0/0 OF VITALINK'S COMPLETE OVERHEAD COSTS FOR PRODUCING COSMETICS AND PHARMACEUTICALS. THE PROPOSED CONTRACT REQUIRES A SIGNIFICANT CASH INVESTMENT BY REVLO TO PAY FOR PRODUCTION, PACKAGING, ADVERTISING AND DISTRIBUTION OF REVLO PRODUCTS. PERCENTAGE BREAKDOWNS ON COSTS AND EXPECTEDGAINCOME FOR VITALINK AND REVLO HAVE NOT BEEN DETERMINED AT THIS POINT.

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3. THE PROPOSED CONTRACT WILL ENTAIL MODEST PLANT ALTERATIONS, BUT A SIGNIFICANT EXPANSION OF LOCAL STAFF. HOWEVER, THERE IS NO PROVISION FOR OR EVENT DISCUSSION OF THE ADDITION OF AMERICAN PERSONNEL ON ANY LEVEL. REVLO'S SOLE INVOLVEMENT WILL BE FINANCIAL.

4. IF VITALINK DOES REACH AGREEMENT WITH REVLON, VITALINK  
BELIEVES THE PRODUCTION OF COSMETICS AND PHARMACEUTICALS WILL  
PAY FOR THE COST OF ORIGINAL PLANT CONSTRUCTION WITHIN FIVE  
HEARS.  
HOYT

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CHEMICAL INDUSTRY, CONTRACTS  
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**Draft Date:** 13 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978IBADAN00297  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780112-0157  
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**Office:** ACTION AF  
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**Original Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** PROPOSED CONTRACT BETWEEN VITALINK PHARMACEUTICAL INDUSTRIES LIMITED, IBADAN AND REVLON  
**TAGS:** BTIO, EINV, ECEM, NI, REVLON  
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**Review Markings:**  
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